

Why San Diego Can't Afford a Firefighters Raise

By Jerry Sanders

Mayor, City of San Diego

The first rule of municipal finance is to stop digging once you've dug yourself into a hole. Tomorrow, the San Diego City Council will consider the contract terms that I have recommended for the city's firefighters union. Some city leaders want to give our firefighters a 4% raise. The raise, which is equivalent to \$4 million this coming year alone, is money that we do not have. Those who support the raise have offered no suggestion as to what vital city service should be reduced to offset this increase. I oppose a raise this year because it will worsen the city's financially perilous situation. With \$3 billion in unfunded obligations and a looming budgetary deficit of \$42 million in 2009, our city should only spend its precious resources when there is an immediate and pressing need.

I have a great deal of respect for firefighters. I think they are incredibly courageous men and women and I am grateful for their service to our city and our community. But San Diegans elected me to restore objectivity to our city's decision-making processes and that's what I intend to do.

In the past, compensation and benefits for city workers have been handled in a completely arbitrary, and some would say political, fashion. The raises and benefits that were conferred on employee groups had less connection to the market forces affecting their employment than to the political clout of their union leaders. I aimed to reverse that trend -- for the first time in the City's history -- by assessing the market conditions in which each of our employee groups operate.

Last week, I recommended and the City Council approved a raise for police officers based on the market conditions of their employment. There is a well-chronicled national shortage of police officers. Because of this situation, departments around the region are forced to pay more to attract candidates. While I would have preferred not to give any employee group a raise, we did not have that luxury with police officers. Our pay is at the bottom of the barrel when compared to competing law enforcement agencies. As a result, the San Diego Police Department is already down more than 200 officers and another 200 officers are scheduled to retire next year. In my opinion, we would face a public safety emergency if we did not change their compensation structure.

The same is not the case for firefighters. The San Diego Fire-Rescue Department is fully staffed. Unlike our police officers, our firefighters are compensated fairly. On average, they work ten days per month and over a third make over \$100,000 per year when you factor in overtime. Only 2 firefighters left the department for another agency last fiscal year. And just recently, there were over 2,000 candidates for 50 open positions. A survey of local fire departments shows that there are virtually no openings. Unlike police departments, most fire departments do not allow for lateral movements. The only objective conclusion that I can come up with is that there is no recruitment or retention problem associated with firefighters.

I will ask the City Council to impose an agreement on the firefighters union that also includes reform of our employee healthcare system. The result will be better coverage for employees at less expensive rates for them and the taxpayers. Because of labor's historic grip on city hall, our government currently offers its employees twenty-one different healthcare plans, primarily to the benefit of union treasuries. This makes no sense and offers the taxpayers virtually no buying power.

I want to consolidate these plans into three medical, two dental and one vision plan. I also want to change the way we fund healthcare to an employer paid percentage of coverage. The system that we are proposing would mean that an employee with a spouse and family that opts for an HMO would save \$2,600 per year for their healthcare coverage.

As a result of my reforms, the city is set to save \$664,000 for firefighters' healthcare. If the Council does not impose the system on the firefighters, the reform will be scuttled, our buying power will be reduced and our rates will go up dramatically.

Last week, I submitted a balanced budget for Fiscal Year 2008 to the San Diego City Council for their consideration. The hallmarks of my budget are reform, cost-cutting and streamlining. As a result of these principles, we will be able to maintain municipal service levels while not increasing taxes. We will also be able to begin funding a number of long-term obligations, such as the deferred maintenance on our city streets, that have long been ignored. In spite of these successes, the city faces some very challenging financial times. With a great deal of discipline over the coming years, I am convinced that our problems can be solved but only if we stop digging ourselves even deeper into the hole.